EXPLANATORY MEMORANDUM TO

THE GAMING DUTY (AMENDMENT) REGULATIONS 2015

2015 No. 1351

1. This explanatory memorandum has been prepared by Her Majesty's Revenue and Customs (HMRC) and is laid before the House of Commons by Command of Her Majesty.

2. Purpose of the instrument

The instrument amends the Gaming Duty Regulations 1997 (S.I. 1997/2196) ("the principal Regulations") to make changes to the bands of gross gaming yield subject to gaming duty rates of 15, 20, 30, 40 and 50 per cent, for payments on account of gaming duty.

3. Matters of special interest to the Select Committee on Statutory Instruments

None.

4. Legislative Context

4.1 Gaming Duty is charged under section 11 of the Finance Act 1997 (c. 16). The amount of duty charged is calculated by applying the rates in the Table in section 11(2) to the bands of the gross gaming yield specified in the Table. These bands were uplifted in line with inflation by section 60 of the Finance Act 2015 (c. 11).

4.2 Regulation 5(4) of the principal Regulations specifies the bandings of gross gaming yield that apply for the purposes of payments on account of gaming duty. This instrument amends those bandings to reflect the uprating in line with inflation of the bands of gross gaming yield in section 11(2) of the Finance Act 1997.

5. Territorial Extent and Application

This instrument applies to all of the United Kingdom.

6. European Convention on Human Rights

As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

- **What is being done and why**

7.1 The bands of gross gaming yield that are used to calculate casinos' gaming duty liability were increased in line with inflation by section 60 of the Finance Act 2015, which substituted a revised Table in section 11(2) of the Finance Act 1997.

7.2 Each time the bands for the six monthly accounting periods are increased it has been practice to increase the bands for the three monthly payments on account in the principal Regulations.

7.3 The parts of the gross gaming yield in the Table in regulation 5(4) of the principal Regulations are half the value of the new bands of gross gaming yield in section 11(2) of the Finance Act 1997 (as amended by section 60 of the Finance Act 2015). This is because the period covered is the first three months of a six month accounting period. If the bands used to calculate the three month payment on account were not increased this would delay the benefit of the uplift to the end of the accounting period. The bands for three month payments on account were last amended by the Gaming Duty (Amendment) Regulations 2014 (S.I. 2014/1930).

- **Consolidation**

7.4 Amendments are made every year to the bands for three month payments on account, to reflect the changes made to the bands for gaming duty due in an accounting period. The amended Table is easy to understand and consolidation is therefore not required.

8. Consultation outcome

This instrument is being made as a consequence of a routine, inflation-linked revalorisation that was made by section 60 of the Finance Act 2015. Such revalorisations are part of a long-established practice and are an accepted, and expected, feature of gaming duty. Accordingly, there was no consultation in respect of this instrument.

9. Guidance

Guidance on gaming duty and how to pay it is available in Notice 453: Gaming Duty on the HMRC website www.hmrc.gov.uk . The revised version will available in September 2015.

10. Impact

10.1 The impact on business, charities or voluntary bodies is negligible.

10.2 The impact on the public sector is negligible.

10.3 A Tax Information and Impact Note (TIIN) has not been prepared for this instrument as it contains no substantive changes to tax policy.

11. Regulating small business

11.1 The legislation applies to small business.

11.2 Any small firms employing up to 20 people that decide to enter this sector would enjoy a financial benefit from the changes in the same way as larger businesses. The regulatory impact on those firms of all sizes is considered to be negligible.

12. Monitoring & review

HMRC will continue to monitor all aspects of the gaming duty legislation.

13. Contact

Maureen Jones at HMRC Tel: 03000 588064 or email: Maureen.jones2@hmrc.gsi.gov.uk can answer any queries regarding the instrument.